

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30.04.2009	QUARTER ENDED 30.04.2008	PERIOD ENDED 30.04.2009	PERIOD ENDED 30.04.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	121,300	124,236	417,524	385,647
Other operating income	2,044	90	2,917	615
Operating Expenses	(112,828)	(108,848)	(384,296)	(345,015)
Profit from operations	10,516	15,478	36,145	41,247
Finance costs	(3,718)	(2,662)	(9,197)	(7,662)
Profit before taxation	6,798	12,816	26,948	33,585
Taxation	(2,332)	(3,701)	(7,569)	(10,656)
Profit after taxation	4,466	9,115	19,379	22,929
Attributable to:--				
Equity Holders of the Company	4,466	9,091	19,379	22,841
Minority Interests	-	24	-	88
	4,466	9,115	19,379	22,929
Earnings per share attributable to equity holders of the Company - basic (sen) (*)	1.09	2.22	4.72	5.57

(*) The comparative figures for earnings per ordinary share have been restated to account for the effect of bonus issue and subdivision of shares.

(The Condensed Unaudited Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT 30.04.2009 (Unaudited) RM'000	AS AT 31.7.2008 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	78,782	69,013
Prepaid land lease payments	7,093	7,213
Investment property	240	240
Other investments	533	533
Intangible assets	1,485	1,485
Deferred tax assets	121	121
	88,254	78,605
CURRENT ASSETS		
Inventories	386,546	391,286
Trade receivables	1,010	1,538
Non-trade receivables	17,702	13,848
Tax recoverable	3,836	3,420
Fixed deposits with licensed banks	4,840	3,360
Cash and bank balances	9,848	9,263
	423,782	422,715
TOTAL ASSETS	512,036	501,320
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	205,176	205,176
Reserves	69,524	55,890
	274,700	261,066
Minority interests	3,514	3,514
TOTAL EQUITY	278,214	264,580
NON-CURRENT LIABILITIES		
Advance from Ultimate Holding Company	15,000	15,000
Long-term borrowings	41,732	76,387
Deferred tax liabilities	5,623	5,623
	62,355	97,010
CURRENT LIABILITIES		
Trade payables	22,774	23,363
Non-trade payables	12,144	14,642
Amount due to directors (Note 1)	1,864	1,991
Short-term borrowings	131,237	95,895
Provision for taxation	3,448	3,839
	171,467	139,730
TOTAL LIABILITIES	233,822	236,740
TOTAL EQUITY AND LIABILITIES	512,036	501,320
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.67	0.64

Note 1: Amount due to directors consists of directors' fee and directors' other emoluments.

(The Condensed Unaudited Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	PERIOD ENDED 30.04.2009 RM'000	PERIOD ENDED 30.04.2008 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,948	33,585
Adjustments for:		
Depreciation of property, plant and equipment	5,712	5,311
Amortisation of prepaid land lease payments	120	-
Gain on disposal of property, plant and equipment	(205)	(79)
Property, plant and equipment written off	417	415
Reversal of impairment of property, plant and equipment	-	(612)
Forfeited customers' deposits	-	(3)
Inventory loss*	2,020	-
Allowance for doubtful debts	(310)	1
Dividend income	(300)	(300)
Interest income	(11)	(35)
Interest expense	9,023	7,414
Operating profit before working capital changes	43,414	45,697
Inventories	2,720	(74,146)
Trade receivables	838	(680)
Non-trade receivables	(3,854)	(1,316)
Trade payables	(589)	9,057
Non-trade payables	(2,498)	(1,231)
Amount due to directors	(127)	(133)
Net cash generated from / (used in) operations	39,904	(22,752)
Tax paid	(8,299)	(6,293)
Net cash generated from / (used in) operating activities	31,605	(29,045)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1	35
Dividend received	222	219
Fixed deposit	(1,500)	(57)
Proceeds from disposal of property, plant and equipment	348	246
Purchase of property, plant and equipment	(10,922)	(7,194)
Net cash used in investing activities	(11,851)	(6,751)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(9,023)	(7,414)
Loan raised	3,653	19,700
Amount due to ultimate holding company	-	15,000
Dividend paid	(5,745)	(5,206)
Repayment to lease creditors	(1,996)	(2,007)
Repayment of term loan	(522)	(674)
Repayment to hire purchase creditors	(1,002)	(717)
Net cash (used in) / generated from financing activities	(14,635)	18,682
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,119	(17,114)
OPENING CASH AND CASH EQUIVALENTS	(8,225)	8,047
CLOSING CASH AND CASH EQUIVALENTS	(3,106)	(9,067)
Cash and cash equivalents comprise the following:		
Cash and bank balances	9,848	10,310
Bank overdraft	(12,954)	(19,377)
	(3,106)	(9,067)

Note * :The robbery occurred on 30 August 2008 at Summit USJ outlet, 18 March 2009 at Tesco Seberang Prai and 28 April 2009 at Jusco Kepong. The losses are adequately covered by insurance.

(The Condensed Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Revaluation Reserve	Share Premium	Retained Earnings	Total to Holders of the Company	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2007	117,243	-	49,250	67,002	233,495	3,434	236,929
Revaluation surplus	-	546	-	-	546	-	546
Bonus Issue	87,933	-	(49,250)	(38,683)	-	-	-
Profit for the period	-	-	-	22,841	22,841	88	22,929
Dividends	-	-	-	(5,206)	(5,206)	-	(5,206)
At 30 April 2008	205,176	546	-	45,954	251,676	3,522	255,198
At 1 August 2008	205,176	4,283	-	51,607	261,066	3,514	264,580
Profit for the period	-	-	-	19,379	19,379	-	19,379
Dividends	-	-	-	(5,745)	(5,745)	-	(5,745)
At 30 April 2009	205,176	4,283	-	65,241	274,700	3,514	278,214

(The Condensed Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008)

A. NOTES TO THE INTERIM FINANCIAL REPORT**A1. Accounting Policies and Methods of Computation**

The interim financial report has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 31 July 2008.

A2. Audit Report

The audit report of the preceding Audited Financial Statements of the Company was reported without any qualification.

A3. Seasonality or Cyclicity of Operations

The revenue of the Group in third quarter decreased as compared to previous quarter as this was a traditional slow trading period.

A4. Unusual Items

There were no unusual and extraordinary items in the current quarter under review.

A5. Changes in Estimates

There were no material changes in the estimates used for the preparation of interim financial report.

A6. Issuance, Cancellation or Repayments of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

A7. Dividend

No dividend was declared in the quarter under review.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009**A8. Segmental Information**

Segmental information is presented in respect of the Group's business segments.

Business segments:

Manufacturing: Manufacturer and dealer of jewelleries, precious stones and gold ornaments

Trading: Suppliers and retailers of gold ornaments, jewelleries and precious stones

Others: Investment holding

	Cumulative Quarter				
	Manufacturing Division RM'000	Trading Division RM'000	Others RM'000	Elimination RM'000	Group RM'000
	Revenue	4,544	412,979	1	-
Inter-segment Revenue	142,613	142,108	6,520	(291,241)	-
Total Revenue	147,157	555,087	6,521	(291,241)	417,524
Profit before taxation	5,031	24,508	(3,609)	1,018	26,948
Profit after taxation	3,622	18,363	(3,624)	1,018	19,379

A9. Valuations of Property, Plant and Equipment

The Group did not carry out any valuations on property, plant and equipment in the quarter under review.

The valuation of property, plant and equipment and investment property have been brought forward without amendment from previous Audited Financial Statements.

A10. Material Events Subsequent To The Financial Period

There was no subsequent material event as at the date of this quarterly report.

A11. Changes in the Composition of the Company

There was no change in the composition of the Group for the current quarter and financial year to date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring or discontinuing of operations.

A12. Contingent Liabilities

The Company has provided additional corporate guarantee amounted to RM5,000,000 to bank for credit facility granted to subsidiary companies. As at 30 April 2009, a total of RM110,791,253 corporate guarantee has been given in support of banking facilities granted to subsidiary companies and a total of RM7,078,400 corporate guarantee has been given to third party in respect of leasing and hire purchase facilities.

Save as disclosed above, there were no changes in contingent liabilities since the last annual balance sheet date.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****B1. Review of Performance**

The Group's revenue for the third quarter under review was higher at RM121.300 million as compared to the revenue in the corresponding quarter last year of RM124.236 million; a decrease of RM2.936 million. The decrease in revenue was due to the existing stores registering at lower sales. The Group's profit before tax in the current quarter at RM6.798 million was lower as compared to the profit before tax of RM12.816 million in the corresponding quarter last year; a decrease of RM6.018 million. The decrease in profit before tax was mainly due to the increase in operating costs for the quarter under review.

B2. Comparison with Preceding Quarter's Results (3rd Quarter FYE 2009 vs 2nd Quarter FYE 2009)

Financial Indicators:	Q3FYE2009	Q2FYE2009	Variance	Variance
	RM('000)	RM('000)	RM('000)	(%)
Revenue	121,300	134,242	(12,942)	-10%
Profit before taxation	6,798	6,152	646	11%
Profit after taxation	4,466	4,548	(82)	-2%

B3. Current Year Prospects

For the current financial year, the Group will continue its drive to build market share by enhancing and differentiating its product offerings to its targeted market segments. Towards this purpose, the Group is actively evaluating various initiatives and opportunities to attract new customers through the introduction of new product designs and enhanced customer service.

The Board of Directors expects the performance of the Group for the financial year ending 31 July 2009 to be satisfactory.

B4. Profit Forecast

Not applicable as the Group did not publish any profit forecast.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30.04.2009	Quarter Ended 30.04.2008	Period Ended 30.04.2009	Period Ended 30.04.2008
	RM'000	RM'000	RM'000	RM'000
Income taxation	2,332	3,701	7,569	10,656
Deferred taxation	-	-	-	-
	<u>2,332</u>	<u>3,701</u>	<u>7,569</u>	<u>10,656</u>

The effective tax rate for the current quarter was higher than the statutory tax rate due principally to certain expenses disallowed for tax purposes.

B6. Disposal of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties for the current quarter and financial year to date.

B7. Quoted Securities

- a. There were no purchases or disposals of quoted securities for the current quarter and financial year to date.
- b. There were no investments in quoted securities for the current quarter and financial year to date.

B8. Status of Corporate Proposals Announced**(i) Status of utilization of proceeds raised from the Public Issue**

As at 30 April 2009, the status of the utilization of proceeds raised from the Public Issue pursuant to the listing of the Company on Main Board of Bursa Malaysia Securities Berhad amounting to RM31.328 million is as follows:-

	Approved	Utilized	Balance
	RM'000	RM'000	RM'000
Purchase of Machinery	2,000	1,909	91
Working Capital	10,647	10,647	-
Acquisition of 55% equity interest in PKJM	12,681	12,681	-
Expansion	3,000	3,000	-
Listing Expenses	3,000	3,000	-
	31,328	31,237	91

(ii) Private Placement

On 23 March 2009, the Company announced it has not successfully placed out any new Poh Kong Shares pursuant to the Private Placement. After assessing the current market conditions, the Company does not intend to proceed with the Private Placement.

B9. Borrowings and Debt Securities

The Group's borrowings (all denominated in Malaysian Currency) as at 30 April 2009 are as follows:-

	RM'000
Short-term Borrowings	
- Secured	
Bank overdraft	12,954
Hire purchase and lease creditors	5,614
Other bank borrowings	47,669
	<u>66,237</u>
- Unsecured	
Murabahah Commercial Paper ("CP")	25,000
Murabahah Medium Term Notes ("MTN")	40,000
	<u>131,237</u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2009**Long-term Borrowings****- Secured**

Hire purchase and lease creditors	5,267
Term loans	6,465
	<u>11,732</u>

- Unsecured

Advance from Ultimate Holding Company	15,000
Murabahah Medium Term Notes ("MTN")	30,000
	<u>56,732</u>

Total	<u>187,969</u>
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B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this quarterly report and financial year to-date.

B11. Material Litigation

On 17 March 2009, Poh Kong Jewellery Manufacturer Sdn Bhd ("PKJM"), a wholly-owned Subsidiary Company had received a Court Summon (Klang Sessions Court SN No: 1-53-139-2008) to attend a hearing on 21 April 2009.

The plaintiff, Encik Mohamad Yusri Bin Ishak claimed compensation from PKJM for the injury alleged to be caused and all incidental costs arising from all alleged accident involving PKJM's car, BGR 8908 and the plaintiff on 15 February 2003.

Save as disclosed, there was no material litigation as at the date of this quarterly report and the financial year to-date.

B12. Dividend

The Company obtained shareholders' approval at the Sixth Annual General Meeting on 9 January 2009 to declare a first and final dividend of 1.40 sen single tier exempt dividend per ordinary share in respect of the financial year ended 31 July 2008. (2007: 4.44 sen single tier exempt dividend per ordinary share) and was paid on 6 March 2009 to Depositors registered in the Record of Depositors at the close of business on 28 January 2009. The total shareholdings as at 28 January 2009 were 410,351,752 ordinary shares and the net dividend amounting to RM5,744,925.

B13. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Quarter Ended</u> 30.04.2009	<u>Quarter Ended</u> 30.04.2008 <i>(restated)</i>	<u>Period Ended</u> 30.04.2009	<u>Period Ended</u> 30.04.2008 <i>(restated)</i>
Net profit after taxation for basic earnings per share (RM'000)	4,466	9,091	19,379	22,841
Weighted average number of ordinary shares in issue ('000)	410,352	410,352	410,352	410,352
Basic earnings per share (sen) (*)	<u>1.09</u>	<u>2.22</u>	<u>4.72</u>	<u>5.57</u>

(*) The comparative figures for earnings per ordinary share have been restated to account for the effect of bonus issue and subdivision of shares.

BY ORDER OF THE BOARD

DATO' CHOON YEE SEIONG

Executive Chairman / Group Managing Director

16 June 2009

Petaling Jaya